

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
JULY 14, 2009
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 *Approval of Minutes – None*

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS - None

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 **EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND BLAKE HUNT VENTURES, INC., AND CENTERSTREET HOUSING, LLC**

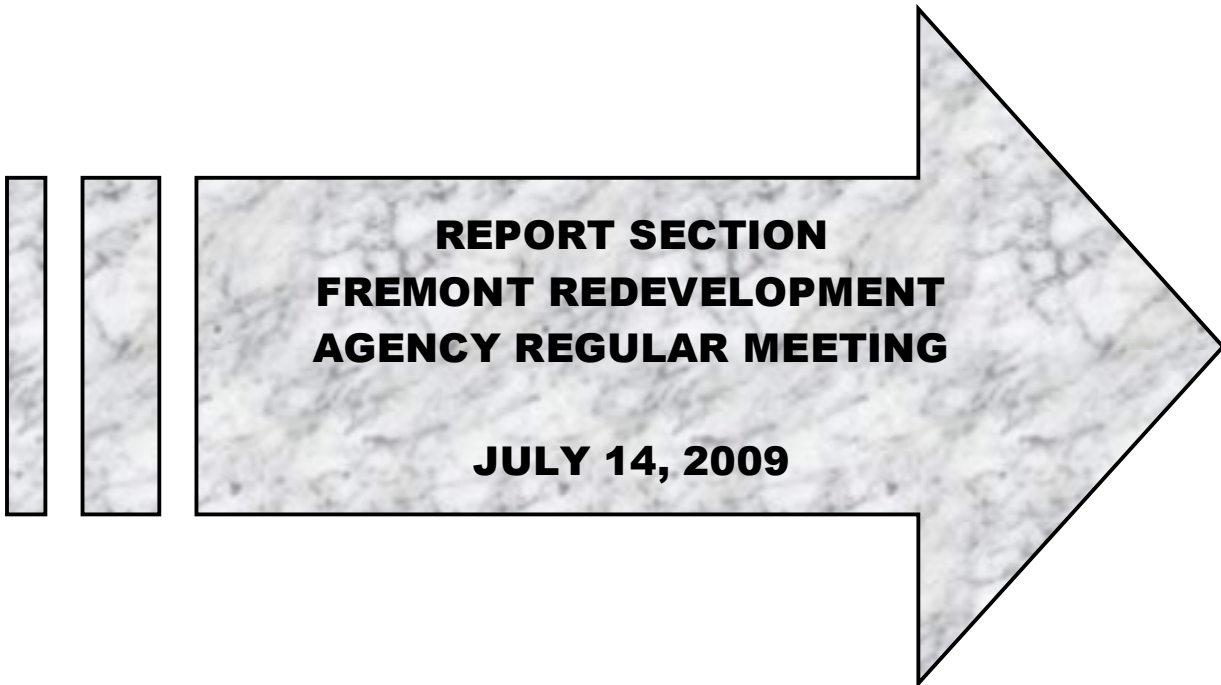
Consideration of Adoption of a Resolution to Execute an Exclusive Right to Negotiate Agreement with Blake Hunt Ventures, Inc., and CenterStreet Housing LLC, for the Centerville Unified Site Within the Centerville Redevelopment Project Area Portion of the Fremont Merged Project Area

Contact Person:

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RECOMMENDATION: Adopt a resolution authorizing the Executive Director or his designee to enter into an Exclusive Right to Negotiate Agreement with Blake Hunt Ventures and CenterStreet Housing LLC, for the Centerville Unified site on Fremont Boulevard in Centerville.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND BLAKE HUNT VENTURES, INC., AND CENTERSTREET HOUSING, LLC

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Executive Summary: On November 13, 2007, the Agency Board authorized execution of an Exclusive Right to Negotiate Agreement (“ERNA”) with an affiliate of Blake Hunt Ventures (“BHV”) for the development of a grocery-anchored retail/restaurant development on Agency-owned property in Centerville. After BHV determined that the site did not support a grocery store, the original ERNA was not executed, and the Agency Board instead directed staff to work with BHV to identify a feasible market-driven site plan. As a result, BHV modified the site plan and added BRE Properties, Inc., to the development team for the proposed redevelopment of the site, culminating in an executed ERNA. BRE subsequently dropped out of the project and the ERNA was terminated. This staff report seeks Agency Board authorization for the Executive Director or his designee to enter into a new ERNA with BHV and its new partner, CenterStreet Housing LLC, (“CSH”), for 210 days in order to complete the negotiation of a Disposition and Development Agreement (“DDA”) for a revised mixed-use retail and residential project.

BACKGROUND: On October 2, 2007, the Agency Board selected Blake Hunt Ventures as the developer for the 6.6 acre Centerville Unified Site, bounded by Fremont Boulevard, Thornton Avenue, Post Street and Bonde Way. Since that time, staff has held numerous meetings with the development team as BHV continued to refine the development program. The original vision consisted of a restaurant/retail development with a grocery store anchor. After extensive research and outreach to evaluate market demand for a supermarket/grocery, BHV determined that there was little or no interest in the site from quality supermarket operators.

On March 18, 2008, staff conducted a discussion with Agency Board members focused on current objectives for the Centerville site. This discussion was largely devoted to refining concepts which had been developed by members of the Centerville community in two outreach meetings held in May 2007. These concepts included:

- Consider a vertical mixed-use retail and residential development project that would be community-oriented and include vehicle and pedestrian connections between Fremont Boulevard and Post Street.
- Focus on ground floor retail uses along Fremont Boulevard and along the connector street to Post Street.
- Create a pedestrian-oriented high-quality development within walking distance of a major public transit node that will act as a catalyst to revitalize and strengthen the retail base of the Centerville business district.

At staff's request, BHV interviewed a number of housing developers and ultimately paired with BRE Properties, Inc. The City entered into an ERNA with the development team in October 2008 to develop a mixed-use project consisting of 31,000 square feet of retail space on Fremont Boulevard and 286 residential rental apartments and live-work units wrapped around two parking structures. Subsequently, due to the turmoil in the financial, credit and real estate markets, BRE was unable to continue with the project, and the ERNA was terminated in March 2009. BHV has now teamed up with CenterStreet Housing headed by Brad Griggs, who has been in the real estate development business for 27 years. He was most recently the Chief Investment Officer for BRE, and has been directly involved in the construction of over 5000 single family/attached homes and the development or acquisition of 8900 apartment units during his career.

The development team is proposing a revised mixed use retail and residential project consisting of:

1. Approximately 30,000 square feet of rentable retail space on Fremont Boulevard;
2. Approximately 150-200 residential rental apartments and live-work units in two buildings;
3. Approximately 360-450 surface and "tuck under" parking spaces to serve the retail and residential elements of the project, with the residential units proposed to be built to the quality and development standards of new first-class apartment communities in California;
4. A pedestrian-friendly new private street bisecting the property from Fremont Boulevard to Post Street that provides both pedestrian and vehicular circulation elements and a focus for project entry features and plazas.

This initial development concept will serve as a starting point for refinement during the ERNA period. The ERNA term is 210 days (with possible extensions by the Executive Director). During this time, Agency staff and representatives of the development team will negotiate the details of the DDA. Major elements would include the identification of a precise site plan, proposed architectural details and façade treatments, identification of entitlement requirements, a community outreach process, a determination of the warranted level of Agency assistance, and a detailed process map with timeframes. The proposed ERNA is attached to this staff report; it includes a schedule for submitting a Preliminary Proposal to the Agency, which would include site plans, architectural details, retail tenancing strategy, financial proforma, financing plan, proposed schedule of performance and other obligations.

Community Outreach: A community meeting sponsored by the developers was held on May 13, 2009. At least two additional development team-sponsored community workshops are required as part of the ERNA schedule. The first of these community workshops would be scheduled immediately after the Agency receives the Preliminary Proposal from the developers, which is anticipated to be in mid July. Once the community and Agency staff have provided input, the developers would submit a Refined

Proposal, currently anticipated in October. The second community workshop to receive the community's input on revisions to the development plan would be held in October according to the current schedule. If Agency staff and the BHV/CSH team are successful in reaching agreement on the terms of the DDA during the ERNA negotiating period, the proposed DDA would be brought forward to the Agency Board for formal consideration of approval at a noticed public hearing. In addition, there will be several opportunities for informal Agency Board review and input on the evolving project during the ERNA process, as appropriate.

ENCLOSURES:

- [Draft Resolution](#)
- [Form of revised Exclusive Right to Negotiate Agreement between the Redevelopment Agency and BHV/CSH](#)

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